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UNCLAS TEL AVIV 001092

STATE FOR NEA, NEA/IPA, NEA/PPD

WHITE HOUSE FOR PRESS OFFICE, SIT ROOM
NSC FOR NEA STAFF

SECDEF WASHDC FOR USDP/ASD-PA/ASD-ISA
HQ USAF FOR XXXX
DA WASHDC FOR SASA
JOINT STAFF WASHDC FOR PA
CDR USCENTCOM MACDILL AFB FL FOR POLAD/USIA ADVISOR
COMSOCEUR VAIHINGEN GE FOR PAO/POLAD
COMSIXTHFLT FOR 019

JERUSALEM ALSO ICD
LONDON ALSO FOR HKANONA AND POL
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ROME FOR MFO

SIPDIS
E.O. 12958: N/A
TAGS: [OPRC](#) [KMDR](#) [IS](#)
SUBJECT: ISRAEL MEDIA REACTION

SUBJECTS COVERED IN THIS REPORT:

Mideast

Key stories in the media:

The media reported that police questioned PM Olmert under caution this morning. Ha'aretz and Maariv reported that the investigators are focusing on possibly incriminating testimony given by Olmert's long-time friend and former partner, attorney Uri Messer, and that Friday's session could prove "decisive" in determining whether charges will be brought. Ha'aretz added that the police's believe that Messer acted as Olmert's "banker," storing the money received

from American financier Morris Talansky in a safe in his office. Yediot quoted Olmert associates as saying that tens of thousands of dollars, which Messer received from Olmert's former bureau chief Shula Zaken, just disappeared. Messer has publicly denied this charge. In return, Maariv reported the police are looking into allegations that Olmert asked an Israeli diplomat serving in a South American country for assistance in promoting the interests of a technological development in which Talansky is a partner.

The Jerusalem Post quoted Yehoshua Meiri, the spokesman of a group of leading rightist Israeli rabbis, as saying yesterday that Talansky was encouraged by the group to come to Israel this spring and give evidence against the PM. The rabbis fear that Olmert will cede Jewish sovereignty over the Temple Mount and other parts of Jerusalem. Talansky acknowledged that he received a blessing from an important rabbi just before he was interrogated by the police, but firmly denies being encouraged to testify before coming to Israel. The Jerusalem Post also quoted various sources as saying that a team of National Fraud Unit detectives will fly to the U.S. to discover the identity of other donors to Olmert.

All media reported that PM Ehud Olmert told French FM Bernard Kouchner yesterday that both sides know what they need to do for peace and insisted that Israel had not made any prior commitments to the Syrians. "I told them if you want to talk come and talk. The Syrians know what we want and we know what they want," Olmert told Kouchner. The media quoted Olmert as saying that he has made no prior commitment to Syria, and Syrian Information Minister Mohsen Bilal as saying that he knows that the "Golan will be returned in its entirety to Syria." Maariv reported that Syria has set two pre-conditions to turn the negotiations into direct ones: Israeli recognition of the well-known "deposit" (a promise to return the Golan in exchange for peace), and ensuring Syria's status in Lebanon.

Ha'aretz reported that a special Knesset committee is proposing a bill that would require a referendum or elections before ceding any territory under Israeli sovereignty -- including the Golan Heights. A majority of Knesset members support the bill, but the cabinet opposes it. Experts told the committee that the cost of a referendum would be about 200 million shekels (about \$60 million), not including any financing for parties' campaigns for or against it. Ha'aretz quoted senior Israeli sources as saying that the announcement of the renewal of negotiations between Israel and Syria will have an immediate effect on Iran's status in the region. The officials noted that Iran has not yet responded publicly to the talks. Ha'aretz quoted some officials as saying that Iran "is in a state of shock."

Major media reported that Israel has asked to purchase 25 F-35 (Joint Strike Fighter) stealth warplanes for the IAF. According to reports in the U.S. media, the planes will cost about \$80 million each. Israel wants to receive the first squadron in 2013 and 2014, and continue with another 50 planes afterward, most likely in the second half of that decade. Ha'aretz reported that senior defense officials have asked the Americans about speeding up the delivery of at least some of the F-35s, possibly by the first half of 2012. Defense Minister Barak has also asked the U.S. for three to five C-130J Super Hercules transport planes. All the planes will be paid for out of U.S. military aid packages provided to Israel. Ha'aretz reported that the purchase of the F-35s seems to signal that Israel has given up on its quest to acquire F-22 Raptor fighters.

Leading media quoted Likud Chairman Benjamin Netanyahu as saying yesterday that Olmert puts Israel's national interests at risk and that he is giving up the Golan out of political and personal survival motives. Netanyahu was further quoted as saying that he would not respect an agreement with Bashar Assad.

Maariv (Ofer Shelach) says that Ehud Barak aspires to lead the Syrian track -- and to leave the Palestinian one to Olmert.

Leading media reported that yesterday in a Boca Raton, FL, synagogue, Democratic presidential candidate Senator Barack Obama reaffirmed his support for Israel and said that he would engage in dialogue with Iran. He told The Jerusalem Post that he fully backs Israel's peace talks with Syria and that he criticized efforts to block such engagement.

The Jerusalem Post quoted Sallai Meridor, Israel's Ambassador to the U.S., as saying yesterday at a Capitol Hill conference organized by the Congressional Israel Allies Caucus that Iran is winning the race to acquire nuclear weapons.

The Jerusalem Post reported that yesterday a USG agency presented in Bethlehem a political risk insurance program to help guarantee investments in the West Bank.

Israel Radio reported that this morning an IDF soldier was moderately wounded during a clash in southern Gaza. Three Palestinians were killed.

Ha'aretz quoted Israeli-Arab security prisoner Mahmoud Abd Al-Shamali, who was released two days ago, as saying yesterday that he did not think his release was due to political considerations, nor was it a gesture or deal between Israel and Syria. Al-Shamali hails from the village of Ghajar, which straddles the Lebanese border.

Leading media reported that this week Srgjan Kerim, the President of the UN General Assembly, singled out Israel for its success in combating world food crises.

Yediot reported that following comments by a well-known Egyptian broadcaster that Jewish "heritage tours" to Egypt are only a cover for a demand to recover property, such a trip was nixed by the Egyptian security services.

Yediot reported that a few days ago former defense minister Yitzhak Mordechai, a convicted sexual offender, went on a 10-day visit to the U.S. The U.S. Embassy accepted his appeal and granted him a visa. He requested the intervention of the Prime Minister's Office. Yediot says that Olmert approached senior American officials during President Bush's first visit

Leading media reported Prof. Yehezkel Shoshani, 65, a world-renowned Israeli-American elephant expert died on Wednesday from injuries sustained in an explosion in Addis Ababa.

The media noted that yesterday the U.S. dollar was at its lowest in 11 years -- 3.338 shekels. Yediot presented the results of a Mina Zemach (Dahaf Institute) pollQ

Should Israel concede land in the Golan as part of a full peace treaty with Syria?
No: 59%; part of the Golan: 29%; the entire Golan: 19%.
Can peace with Syria be reached in the foreseeable future?
Impossible: 50%; possible: 46%;
Given the investigations against him, is Olmert worthy of leading the negotiations with Syria?
Unworthy: 61%; worthy: 37%.
Do you trust Ehud Olmert?
No: 51%; I have some trust in him: 26%; I have almost no trust in him: 15%; I fully trust him: 6%.

Mideast:

Summary:

The independent, left-leaning Ha'aretz editorialized: "The resumption of talks with Syria, and the Prime Minister's promise that the Palestinian and Syrian tracks will move forward simultaneously, are both good news.... The tahdiya, or temporary cease-fire, on whose principles Israel and Hamas have agreed via Egyptian mediation, is impatiently awaiting implementation."

Senior columnist Nahum Barnea wrote in the mass-circulation, pluralist Yediot Aharonot: "In a democracy that is alive and kicking, such as ours, a prime minister cannot go too far when the public does not trust his motives and intentions."

Security and intelligence affairs commentator Amit Cohen wrote in the popular, pluralist Maariv: "'Syria first' is one of the biggest

nightmares of the Palestinian leadership."

Editor-in-Chief David Horovitz wrote on page one of the conservative, independent Jerusalem Post: "The word is that Bush, to put it mildly, was not easily persuaded by Olmert and Defense Minister Ehud Barak of the virtues of the Syria-Turkey-Israel track, and is highly dubious about the possibility of drawing Damascus out of Teheran's orbit.."

Block Quotes:

II. "Avoid All Delays"

The independent, left-leaning Ha'aretz editorialized (5/23): "The resumption of talks with Syria, and the Prime Minister's promise that the Palestinian and Syrian tracks will move forward simultaneously, are both good news. Both tracks are aimed at obtaining strategic goals vital to Israel's security. And even if neither reaches completion during Ehud Olmert's term of office, they can yield a 'deposit' for the future. Yet, despite the excitement, both these diplomatic promises ought to be treated for the time being like two birds in the bush, which are incapable of calming another burning front, to the country's south. The tahdiya, or temporary cease-fire, on whose principles Israel and Hamas have agreed via Egyptian mediation, is impatiently awaiting implementation.... There is currently a confluence of interests among Israel, Egypt and Hamas. All of them need the tahdiya urgently: Israel, to give residents of the South the quiet that all its military operations, large and small alike, have failed to provide; Hamas, to end the economic blockade that makes life so difficult for Gazans; and Egypt, to prevent a violent and uncontrolled breach of the fence that separates it from Gaza.... Israel should thus release the prisoners needed to conclude a deal for [Gilad] Shalit and let the tahdiya take effect. Additional Qassam or Grad rockets hitting Sderot or its environs, and additional dead or wounded, are henceforth an unnecessary price for a deal that must be done."

II. "The Turkish Deal"

Senior columnist Nahum Barnea wrote in the mass-circulation, pluralist Yediot Aharonot (5/23): "Does a prime minister under an embarrassing criminal investigation, full of allegations, have a mandate to provide such far-reaching commitments in the name of the state? The problem is not a legal one. Unlike Ehud Barak, who sent a delegation for marathon talks with the Palestinians at Taba when he was the leader of a minority government, on the eve of elections, Olmert relies in the meantime upon a stable majority in the Knesset and in the cabinet. But that is a formalistic, legalistic claim. In a democracy that is alive and kicking, such as ours, a prime minister cannot go too far when the public does not trust his motives and intentions.... Tzipi Livni chose -- again -- to 'take the Fifth'.... Livni became convinced that the findings of the investigation require Olmert's dismissal. She wants to replace him. For her, dealing with negotiations with Syria is a distraction from the main issue. Even the left wing, which automatically supported any negotiation with Syria, has entered the current round with a split. The majority of the Labor Party and Meretz support it, but this time there are other voices on the fringes"

III. "The Palestinians' Big Nightmare"

Security and intelligence affairs commentator Amit Cohen wrote in the popular, pluralist Maariv (5/23): "'Syria first' is one of the biggest nightmares of the Palestinian leadership. This threat, which is again becoming real these days, puts Abu Mazen's PA and Hamas, for the first time in a long time, in the same boat. Officially, both parties said that they support the right of Syria to get back the Golan Heights, but both Abu Mazen and Khaled Mashal, each for his own reasons, would have preferred that the talks with Syria would fade away.... It is hard to see how the Prime Minister could succeed in carrying out 'painful concessions' in connection with both Bashar Assad and Abu Mazen at the same time. Someone will have to be postponed to the future -- and this someone will apparently be the Palestinian side. Hamas, for its part, could be

the first to pay the price for the peace agreement, if it is indeed achieved: if the Israeli demand of Syria to cut off its ties with Iran, Hizbullah and the Palestinian terror organizations is implemented, Hamas could find that its maneuvering ability is reduced. The Hamas headquarters in Damascus is considered one of the most important centers of power of the organization: restrictions on the activity of Mashal and his friends will have an immediate affect on all of Hamas.... [However], a Hamas official has said: 'We do not think that they will get rid of us so easily in Damascus. We have a long history with the Syrian regime. But on the assumption that this does take place, what will happen then? Does anyone think that Hamas will disappear from the arena? This will affect us in the short range, until we find another place.'

IV. "Like Many Israelis, Bush Wonders whether Olmert Knows What He's Doing"

Editor-in-Chief David Horovitz wrote on page one of the conservative, independent Jerusalem Post (5/23): "Beyond the president's letting the cat out of the bag and then quickly trying to stuff it back in, however, Bush made some telling comments about Syria that appear particularly resonant now that the secret is, indeed, out and everybody knows that formal indirect negotiations are under way. For while the White House on Wednesday said it did not object to Israel's opening of the indirect Damascus track, The New York Times on Thursday quoted an administration official as calling it a 'slap in the face.' And the President's own remarks in the Oval Office to us last week seem to indicate a high degree of concern, if not outright dismay, at Olmert's decision to seek an accord with a determinedly unreformed Bashar Assad -- a sense of 'I hope he knows what he's doing...' For a start, Bush made crystal clear that he had no intention whatsoever of warming his ties to Syria so long as Damascus is sponsoring terrorism, enabling the arming of Hizbullah and making 'life miserable for the young democracy in Iraq.' Syria would first have to change course, he indicated, for America to rethink:.... The word is that Bush, to put it mildly, was not easily persuaded by Olmert and Defense Minister Ehud Barak of the virtues of the Syria-Turkey-Israel track, and is highly dubious about the possibility of drawing Damascus out of Teheran's orbit.."

JONES